## OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

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## United States Presents Agricultural Market Access Proposal at the WTO

The United States today presented a proposal at the World Trade Organization (WTO) agriculture negotiations in Geneva that is designed to open foreign markets for U.S. agricultural exports. The proposal to reform tariff rate quotas (TRQs) focuses on one element of the comprehensive U.S. WTO proposal submitted in June. TRQs are import policies that allow a specified quantity of imports of a product at a relatively low tariff, and subject all other imports of that product to a higher tariff.

"Improving market access opportunities for American farmers and ranchers is a top U.S. priority in the WTO," said U.S. Trade Representative Charlene Barshefsky. "WTO members need to bring down high tariffs on agricultural products and reduce the disparities across countries. TRQs can provide access opportunities while we phase in tariff reductions, and today we are proposing that WTO negotiations result in expanded market access opportunities and protection against unjustifiably burdensome requirements on importers and exporters."

"When trade is free and fair, American farmers and ranchers compete and win," said Agriculture Secretary Dan Glickman. "This proposal will help ensure fair market access and thus could create new or expanded opportunities for U.S. farmers who export corn, rice, wheat, dairy products, poultry, pork and other farm products."

The U.S. TRQ proposal calls for the following four-part approach to reform:

- Develop additional disciplines for TRQs that ensure importers do not administer TRQs to bar trade.
- Reduce in-quota duties based on the historical performance of the quantity of product imported at the lower in-quota tariff; the lower the fill rate, the deeper the cut.
- Cut tariffs using an approach that reduces disparities across countries and progressively increases TRQ quantities.

• Establish trigger mechanisms to lower in-quota duties when TRQ fill is low.

## **Background:**

The U.S. proposal -- the only comprehensive agriculture proposal before the WTO – submitted in June addresses every major issue in further liberalizing agricultural trade, from market access to export competition and domestic support. It calls for substantial reductions, or elimination, of tariffs, expansion of tariff-rate quotas, elimination of export subsidies, disciplines on the use of export restrictions on agricultural products, disciplines on state trading enterprises, simplification of rules applying to domestic support, and establishment of a ceiling on trade-distorting support that applies equally to all countries.